

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 04181 020915Z

12

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 L-03 AID-20 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NEA-14 NSAE-00 RSC-01

OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 STR-08 OIC-04 DRC-01 /154 W

----- 105809

R 020716Z JUL 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 3563

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION USUN NEW YORK

USMISSION OECD PARIS

LIMITED OFFICIAL USE CANBERRA 4181

E.O. 11652: N/A

TAGS: EFIN, AS

SUBJ: DISCUSSION OF EMINENT PERSONS REPORT AT OECD INVESTMENT
EXPERTS MEETING

REF: (A) CANBERRA 4144; (B) STATE 137390

1. THIS TELEGRAM SUPERCEDES REF (A), WHICH WAS EMBASSY'S PRE-
LIMINARY RESPONSE TO REF (B).

2. EMBOFF HAD FURTHER DISCUSSION SUBJECT REPORT WITH PIPER,
ASSISTANT SECRETARY, UN AFFAIRS, DFA, JULY 2.

3. IN BROAD TERMS, GOA ATTITUDE TOWARD EMINENT PERSONS REPORT
TENDS TO REFLECT DOMESTIC GOA ATTITUDES TOWARD FOREIGN INVESTMENT
AND MNC'S. SINCE 1972 THERE HAS BEEN GRADUALLY INCREASING
TENDENCY, ACCELERATED IN PAST YEAR, TO QUESTION ROLE OF FOREIGN
CAPITAL AND MNC'S IN AUSTRALIAN ECONOMY. GOA POLICY, PARTLY
IMPLEMENTED AND PARTLY STILL IN PROSPECT, CALLS FOR EXTENSIVE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 04181 020915Z

CONTROLS OVER NEW AS WELL AS EXISTING FOREIGN INVESTMENT IN

AUSTRALIA DESIGNED TO SCREEN IT FOR CONSISTENCY WITH NATIONAL SOCIAL AND ECONOMIC OBJECTIVES, AND IN PARTICULAR TO ENCOURAGE INCREASED AUSTRALIAN OWNERSHIP AND CONTROL. THESE POLICIES ESPECIALLY STRINGENT IN FIELD OF NATURAL RESOURCES DEVELOPMENT, BUT EXTEND TO SIGNIFICANT INVESTMENT PROPOSALS IN ALL OTHER SECTORS. IN THIS FIELD, AS IN ITS CLOSELY ALLIED ROLE AS MAJOR PRODUCER AND EXPORTER OF RAW MATERIALS, GOA TO SOME DEGREE FEELS ASSOCIATION WITH LDC'S, AND IN ADDITION WISHES TO PROJECT IMAGE OF SYMPATHY AND COOPERATION WITH LDC ECONOMIC OBJECTIVES. FOR THESE REASONS, GOA HAS GENERAL DISPOSITION TO VIEW SUBJECT REPORT MORE FROM STAND-POINT OF HOST COUNTRY FOR INVESTMENT THAN FROM STANDPOINT OF DEVELOPED COUNTRY WITH CAPITAL EXPORT INTERESTS.

4. EMBOFF SUGGESTED THAT GOA, WHICH HAS BEEN DEMONSTRABLY SUCCESSFUL IN ASSERTING NATIONAL CONTROLS OVER ACTIONS OF MNC'S, AND DISPROVING BY EXAMPLE GENERALIZED ASSERTIONS THAT NATIONAL GOVERNMENTS UNABLE TO PREVENT MNC'S FROM FRUSTRATING DOMESTIC FINANCIAL AND ECONOMIC POLICIES, WOULD BE IN EXCELLENT POSITION TO REASSURE LDC'S ON THESE ISSUES. WHILE DFA REPS DID NOT DISPUTE THIS POINT, THEY OFFERED LITTLE ENCOURAGEMENT THAT GOA ECOSOC DEL LIKELY TO TAKE STRONG INITIATIVE IN THIS DIRECTION.

5. RE SPECIFIC POINTS IN REF (B), FOLLOWING MAIN POINTS EMERGED:

(A) GOA BELIEVES PROPOSAL FOR PERMANENT COMMISSION PREMATURE, AND WOULD PREFER TO SEE ECOSOC KEEP MATTER UNDER STUDY BY SECRETARIAT FOR THE COMING YEAR. THEY DO NOT, HOWEVER, FAVOR THE TENTATIVE U.S. ALTERNATIVE PROPOSAL OF A COMMITTEE OF GOVERNMENT REPRESENTATIVES TO CONSIDER AND REPORT BACK TO ECOSOC ON NEED FOR PERMANENT COMMISSION. EMBASSY HAS IMPRESSION THAT IF STRONG LDC CONSENSUS IN FAVOR OF PERMANENT COMMISSION EMERGES GOA WOULD NOT STRONGLY RESIST AT THIS TIME.

(B) GOA NOT SEEKING ANNUAL ECOSOC AGENDA ITEM ON MNC'S, BUT BELIEVES THERE IS NO REALISTIC POSSIBILITY OF AVOIDING IT.

(C) GOA SHARES U.S. OPPOSITION TO AUTONOMOUS MNC INFORMATION AND RESEARCH CENTER. THEY FAVOR ANY SUCH ORGANIZATION BEING INTEGRAL PART OF UN SECRETARIAT. THEY ARE LESS CONCERNED THAN U.S. OVER QUESTION OF EXPERT STAFF TO EVALUATE INVESTMENT PROPOSALS, ALTHOUGH THEY ARE INCLINED TO AGREE THAT SUCH EXPERTS SHOULD NOT BE DIRECTLY INVOLVED IN INVESTMENT NEGOTIATIONS.

(D) WHILE GOA DOES NOT OPPOSE IDEA OF ECOSOC RESOLUTION DRAWING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 04181 020915Z

ON REPORT'S RECOMMENDATIONS TO GOVERNMENTS, THEY RECOGNIZE THAT CAREFUL SELECTIVITY WOULD BE NEEDED IN CONSIDERING WHAT PORTION OF EMINENT PERSONS' RECOMMENDATIONS SHOULD BE INCLUDED. LOOKING AHEAD, GOA OPPOSES IDEA OF INTERNATIONAL CONVENTION OF MNC'S, AND WOULD PREFER EVENTUAL DEVELOPMENT OF NON-CONTRACTUAL CODE OF CONDUCT TO COVER OBLIGATIONS BOTH OF MNC'S AND OF HOST COUNTRIES.

(E) GOA AGREEABLE TO DEFERRAL OF ECOSOC DISCUSSION UNTIL LATER IN JULY, AND MAY IN FACT SUPPORT SUCH DEFERRAL BUT WOULD NOT WISH

TO ADVANCE OECD DISCUSSION SCHEDULE AS REASON FOR SUCH DEFERRAL.

6. PIPER EMPHASIZED THAT GOA ECOSOC DELEGATION WOULD HAVE WIDE
TACTICAL DISCRETION RE HANDLING OF ENTIRE SUBJECT OF MNC REPORT,
SUBJECT TO PRECEDING GENERAL GUIDELINES RESPECTING OBJECTIVES.

GREEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, INVESTMENTS, CONSULTANTS, MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CANBER04181
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740175-0219
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740782/aaaacrzx.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) CANBERRA 4144; (B) STATE 137390
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 05 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 APR 2002 by worrelsw>; APPROVED <19 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DISCUSSION OF EMINENT PERSONS REPORT AT OECD INVESTMENT EXPERTS MEETING
TAGS: EFIN, JA, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005